

SUMMARY OF INDICTMENT
UNITED STATES OF AMERICA v. WILLIAM C. CAMPBELL

COUNT ONE
(RICO)

The indictment charges that from at least 1996 until at least January 2002, while WILLIAM C. CAMPBELL ("CAMPBELL") served as the Mayor of the City of Atlanta, he conducted the City's affairs through a pattern of racketeering activity, which included the following:

- (1) causing payments to be made and other things of value to be given to CAMPBELL and others from individuals and companies doing business with and seeking business and licenses from the City, by inducing the reasonable belief that giving such things of value would influence CAMPBELL's performance or failure to perform official action;
- (2) devising and participating in a scheme and artifice to defraud the citizens of the City by depriving them of his good, faithful, and honest services as Mayor;
- (3) failing to report and disclose, as required by the Atlanta City Code, State law, and CAMPBELL's inherent duty, cash payments and other things of value CAMPBELL received while serving as Mayor;
- (4) causing, encouraging, soliciting and accepting illegal campaign contributions from individuals and companies for CAMPBELL's re-election as Mayor in 1997;
- (5) participating in a scheme and artifice to defraud contributors to and creditors of the CAMPBELL's re-election campaign;
- (6) recruiting and causing other individuals, including City employees, to, knowingly and unknowingly, participate in the pattern of racketeering activity.

Racketeering Acts One Through Three
Corrupt Payments from Computer Contractors

Racketeering Acts One through Three charge CAMPBELL with soliciting and accepting over \$50,000 in cash payments from certain computer contractors in connection with a contract to prepare the City's computers for Year 2000 ("Y2K contract"). The Indictment alleges that in the Spring of 1999, a friend who regularly played golf with CAMPBELL and worked as a computer subcontractor inquired about providing Y2K services for the City, and CAMPBELL responded by asking, "What's in it for me?" The computer subcontractor said, "Whatever it takes." Following this conversation, the computer subcontractor acting as a conduit delivered to CAMPBELL cash payments of \$25,000, \$20,000, and \$10,000. The first two cash payments were made after the Y2K

computer company received payments from the City in June and July 1999. The third cash payment was made in August 1999 after the City executed the \$1,000,619 Y2K contract.

According to the indictment, when the computer subcontractor delivered the first \$25,000 cash payment, CAMPBELL said, "No one can know about this." The computer contractor and subcontractor concealed the payments they made to CAMPBELL, and when questioned by law enforcement authorities, both initially falsely denied making the payments to CAMPBELL. In October 2002, the computer contractor was indicted for giving false testimony to the grand jury regarding the reimbursement of his employees for making contributions to CAMPBELL's re-election campaign in 1997. In March 2003, the computer contractor admitted to law enforcement agents that he had made cash payments to CAMPBELL through the computer subcontractor in 1999.

During 2003 and early 2004, the computer subcontractor continued to conceal the cash payments to CAMPBELL and communicated with CAMPBELL about the government's investigation of the matter. During conversations between CAMPBELL and the computer subcontractor in 2003, CAMPBELL offered to help the computer subcontractor financially during the investigation. In January 2004, the computer subcontractor asked CAMPBELL through a mutual friend for assistance with his legal fees, and CAMPBELL subsequently arranged for a personal friend of his to pay \$10,000 for the computer subcontractor's legal fees. On or about March 25, 2004, the date the computer subcontractor was to be compelled to testify before a federal grand jury, the computer subcontractor admitted to law enforcement authorities that he had delivered cash payments to CAMPBELL in 1999 in connection with the Y2K contract.

Racketeering Acts Four and Five **Corrupt Payments from the Consultant**

Racketeering Acts Four and Five charge that CAMPBELL participated in a scheme to defraud the citizens of Atlanta of their right to CAMPBELL's honest services by soliciting and accepting payments and other benefits, directly and indirectly, from individuals and businesses engaged in or seeking to do business with the City, and that CAMPBELL concealed and failed to disclose to the City the payments and other benefits he received.

From 1996 through at least 1999, CAMPBELL received cash payments and other benefits from an individual who acted as a consultant for City contractors (the "Consultant"). The Consultant actively participated in fundraising for CAMPBELL's Mayoral campaigns in 1993 and 1997. CAMPBELL appointed the Consultant as a member of the City's Civil Service Board in 1994 and again in 1997.

Although the Consultant's company had no physical location, equipment or employees, the Consultant marketed his status as a City approved Minority Business Enterprise ("MBE"), as well as his access to and influence with CAMPBELL, to solicit payments and personal benefits for himself and CAMPBELL from City contractors. The Consultant then solicited City business for those contractors and provided CAMPBELL with thousands of dollars in cash and other substantial benefits to influence CAMPBELL's performance concerning those contractors.

Air Conditioners and \$10,000 Cash

Racketeering Act Four charges that, during the Summer of 1996, while bidding on City contracts, the Consultant arranged for a City construction contractor to fund a \$9,581 installation of two heating and air conditioning ("HVAC") units in CAMPBELL's home and to pay CAMPBELL \$10,000 in cash. The indictment alleges that a convoluted series of financial transactions and a phoney invoice were utilized to generate and cover up the source of the funds. The cash was provided to CAMPBELL on September 20, 1996, the date the Consultant coordinated a campaign event for CAMPBELL in Atlanta.

Other Cash Payments and Benefits from the Consultant and Contractors

Racketeering Act Five charges that, from 1996 through 2000, the Consultant continued to solicit and receive payments from City contractors with the understanding that the Consultant would deliver some of the money and provide other benefits to CAMPBELL to influence his performance concerning those contractors.

The Consultant provided CAMPBELL with two other large cash payments at campaign events in 1996 and 1997. Shortly after receiving a \$10,000 check from a City subcontractor in March 1996, the Consultant coordinated a campaign event for CAMPBELL and paid CAMPBELL \$10,000 in cash before he and CAMPBELL flew to another campaign event in New Orleans, Louisiana. In May 1997, the Consultant paid CAMPBELL \$4,000 in cash around the time of another campaign event.

In February and March 1997, the Consultant asked the Water Filter Company executive to exchange \$25,000 and \$8,500 in checks for cash to take CAMPBELL gambling. The day after the Water filter Company executive cashed the \$25,000 check on February 14, 1997, the Consultant and CAMPBELL traveled to Memphis, Tennessee, a frequent destination of CAMPBELL's for gambling in nearby Tunica, Mississippi. A couple of weeks later, on or about February 28, 1997, the Consultant and CAMPBELL traveled to another gambling destination, the Hollywood Casino in Robinsonville, Mississippi.

From about July 1997 through September 1999, the Water Filter Company provided the Consultant with regular \$5,000 payments to facilitate business with the City. In early 1998, the Consultant and the Water Filter Company agreed to inflate the cost of a sole-source contract with the City to cover payments to the Consultant and CAMPBELL. In April 1998, the City awarded a sole-source purchase order to the Water Filter Company, which was inflated by \$400,000. The Water Filter Company then paid the Consultant \$400,000 with the understanding that money and other benefits would be provided to CAMPBELL from the \$400,000.

In August 1998, while the Water Filter Company was working on the sole source project, the Consultant solicited and received \$5,000 in cash from that company to take CAMPBELL gambling. Subsequently, the Consultant, CAMPBELL and a Water Filter Company executive flew

to Memphis, Tennessee and then traveled to Tunica, Mississippi, where CAMPBELL stayed and gambled. The Consultant paid for CAMPBELL's airline tickets and hotel room in Tunica.

The Consultant also solicited money from two water companies to take CAMPBELL gambling in 1998 and 1999. In July 1998, the Consultant solicited and received \$2,500 from a water company to provide to CAMPBELL for gambling. The next day, the Consultant paid for CAMPBELL's airline tickets and traveled with CAMPBELL to Memphis, Tennessee. In January 1999, the Consultant solicited \$5,000 to take CAMPBELL gambling from a water company which had recently received the City water privatization contract.

On at least eight other occasions from January 1996 through September 1999, while seeking City business and receiving money from City contractors and working for the City, the Consultant traveled with CAMPBELL from Atlanta to Memphis, Tennessee. The Consultant paid for CAMPBELL's airfare for at least six of those trips.

CAMPBELL failed to disclose to the City, or publically to the citizens of the City, his receipt of money and other things of value from the Consultant and other City contractors.

Racketeering Acts Six and Seven
Corrupt Payments From Club Owner
and Communications Contractor

Racketeering Acts Six and Seven charge that, between 1996 and 1998, CAMPBELL used an individual he employed as his Special Assistant to collect payments from a club owner seeking liquor licenses from the City and a communications contractor doing business with the City.

In 1993, CAMPBELL hired the Special Assistant, who lived in a basement apartment in CAMPBELL's home for six years. The Special Assistant's primary function was to perform personal tasks for CAMPBELL, such as delivering cash for payment of some of CAMPBELL's bills, purchasing cashier's checks for CAMPBELL with cash, making hotel arrangements for CAMPBELL's personal friends and transporting those friends to hotels.

Payments from the Club Owner

Racketeering Act Six charges that, an individual operating adult entertainment clubs (the "Club Owner") was seeking assistance with liquor licenses for an existing club and for a new club he intended to open. In July of 1997, the Club Owner and CAMPBELL discussed the Club Owner's desire to obtain CAMPBELL's assistance with the licenses, and CAMPBELL advised the Club Owner that if the Club Owner would assist CAMPBELL with his re-election campaign, CAMPBELL would assist the Club Owner with the licenses after the election.

Following CAMPBELL's discussion with the Club Owner, CAMPBELL tasked his Special Assistant with collecting payments from the Club Owner. From about July 1997 through September

1998, CAMPBELL accepted approximately \$50,000 in cash payments from the Club Owner, in amounts between approximately \$5,000 to \$10,000.

During 1998, the Club Owner continued to seek a liquor license for a new club and sought renewal for an existing club. CAMPBELL, however, encountered continuous political pressure to deny the Club Owner's licenses. As a result of that pressure, in February 1999, CAMPBELL demanded that the Club Owner withdraw the application for the new club or CAMPBELL would revoke the license for the old club. The Club Owner refused to withdraw the application, and on March 4, 1999, the Club Owner's attorney sent a letter to CAMPBELL memorializing CAMPBELL's demand.

In early May 1999, the Club Owner advised a former assistant city attorney that he had paid CAMPBELL for CAMPBELL's assistance on the licenses, that CAMPBELL's Special Assistant had been the conduit of the payments, and that CAMPBELL had bowed to political pressure and had failed to assist the Club Owner. CAMPBELL was advised of the Club Owner's statements, and CAMPBELL then revoked the Club Owner's license for the existing club.

Payments from the Communications Contractor

Racketeering Act Seven charges that, in 1996 and 1997, a Communications Contractor had and was seeking additional business with the City. In 1996, while the Communications Contractor was doing business with the City, CAMPBELL secretly received \$5,000 from the Communications Contractor following a speech given to the Communications Contractor's employees. CAMPBELL also tasked his Special Assistant with collecting cash from the Communications Contractor, and the Communications Contractor provided approximately \$1,000 cash for the travel expenses of a personal friend of CAMPBELL's and approximately \$4,000 CAMPBELL requested for a gambling trip.

Racketeering Acts Eight through Ten **Campaign Fund Fraud**

Racketeering Acts Eight through Ten charge that, from about 1997 through 2002, CAMPBELL participated in a scheme and artifice to defraud the citizens of Atlanta of their intangible right to his honest services by causing, encouraging, soliciting, and accepting illegal campaign contributions, and to defraud contributors to and creditors of CAMPBELL's re-election campaign. It was part of the scheme that CAMPBELL concealed and failed to disclose to the City and the electorate the illegal campaign contributions.

Illegal Campaign Contributions Using Names of CAMPBELL's Family Members

Racketeering Act Eight charges that, on November 21, 1997, a series of five “straw” contributions made in the names of CAMPBELL’s family members, all of whom resided in another state, were deposited into CAMPBELL’s campaign account. The five \$1,000 sequentially numbered cashier’s checks were all purchased in Atlanta. The campaign disclosure form listing CAMPBELL’s family members as contributors and their out-of-state addresses was completed and filed, even though the family members did not fund the contributions.

Illegal Campaign Contributions involving the Testing Contractor and the Development Contractor

Racketeering Act Eight also charges that CAMPBELL and an individual who owned and operated testing and drilling companies (the “Testing Contractor”) were close friends and regularly gambled together. The Testing Contractor was a member of CAMPBELL’s re-election campaign finance committee. The Testing Contractor and his wife had substantial business with the City. During CAMPBELL’s tenure as Mayor, CAMPBELL directly, and through City employees, acted to benefit the Testing Contractor’s and his wife’s companies concerning City business.

A Development Contractor who sought to sell a substantial amount of dirt to the City for the fifth runway expansion at the Hartsfield-Jackson International Airport (the “dirt project”), was introduced to the Testing Contractor in June 1997. The Development Contractor met with the Testing Contractor, who was known to have influence with CAMPBELL, to find out how to facilitate the City’s purchase of the Development Contractor’s dirt. The Testing Contractor told the Development Contractor that he would have to raise substantial money for CAMPBELL’s campaign.

In response, the Development Contractor and his companies contributed the maximum amount allowed by law during the general election. In addition, the Development Contractor asked others to make contributions to CAMPBELL’s campaign and then illegally reimbursed them for approximately \$40,000 in contributions.

During the general election, in the Summer of 1997, the Development Contractor met with CAMPBELL at the Testing Contractor’s office. During their meeting, they discussed the dirt project. They then met a second time at the Testing Contractor’s office in November 1997, between the general election and the run-off. During the second meeting, CAMPBELL talked about the run-off and his need to raise more money. CAMPBELL told the Development Contractor to raise \$100,000 for the run-off election, which was only about two weeks away. CAMPBELL told the Development Contractor that there was nothing CAMPBELL could do to help the Development Contractor if he was not re-elected.

As a result of the meeting with CAMPBELL, the Development Contractor immediately provided the Testing Contractor with the names of the Development Contractor’s friends and family members to use for additional contributions to CAMPBELL’s campaign. Subsequently, on November 17 and 18, 1997, 84 cashier’s checks and money orders, many sequentially numbered, totaling approximately \$56,000, as well as the names and job descriptions of 29 purported

contributors supplied by the Development Contractor, were processed and deposited into CAMPBELL's campaign account.

In addition, on November 12, 1997, the Development Contractor provided the Testing Contractor with \$30,000 to fund contributions. The Testing Contractor used the \$30,000 to reimburse his employees for contributions to CAMPBELL's campaign. Within a few days of CAMPBELL's request for \$100,000 in contributions, the Development Contractor funded over \$86,000 in illegal contributions during the run-off election.

After CAMPBELL was re-elected, in about December 1999, the City awarded the Development Contractor an emergency sole-source contract for \$2,000,000.

Solicitation of Illegal Campaign Contribution

Racketeering Act Nine charges that, in August 1997, CAMPBELL, aided and abetted by another, solicited an illegal \$100,000 campaign contribution from another company seeking to do business with the City. The indictment alleges that in or around 1997, a Virginia-based contract management firm (the "Management Firm") began pursuing a contract with the City to remedy a problem with sewer overflows polluting the Chattahoochee River. After the Management Firm was unable to schedule a meeting with CAMPBELL, a representative of the Management Firm was introduced to the Testing Contractor as someone who could get him access to CAMPBELL. The Testing Contractor promptly secured an appointment with CAMPBELL.

The Management Firm representative, an associate, and the Testing Contractor met with CAMPBELL in his office, and the Management Firm representative pitched his proposal for a City contract. As the Management Firm representative, his associate and the Testing Contractor were leaving the office, CAMPBELL requested to speak with the Testing Contractor privately. When the Testing Contractor emerged from his private meeting with CAMPBELL, the Management Firm representative asked the Testing Contractor what they needed to do to move forward on the proposal. After directing the Management Firm representative outside, the Testing Contractor said, "I'm not saying the Mayor said this, but \$100,000 by the end of the month to the Mayor's campaign and the contract is yours whether he wins the election or not." After being solicited for money in return for the contract, the Management Firm decided not to pursue the project with the City under those circumstances.

CAMPBELL's Solicitation of Funds to Retire Campaign Debt and Personal Use of Campaign Funds

Racketeering Act Ten charges that, from January 1998 to 2003, CAMPBELL defrauded campaign contributors by misleading campaign contributors concerning the status of campaign funds and soliciting contributions from City contractors and others ostensibly to retire campaign debt from CAMPBELL's re-election campaign. CAMPBELL, through another, misled his campaign manager and deputy campaign manager for fundraising as to the status of campaign funds following the re-election in 1997. In 1998 and 1999, CAMPBELL solicited and raised additional campaign funds

that donors were told were needed to “retire campaign debt.” During that time, CAMPBELL misled campaign creditors concerning the availability of funds to pay the campaign creditors. While misleading campaign contributors and creditors as to the status of campaign funds, CAMPBELL used funds that were received in response to solicitations to retire campaign debt for personal expenses incurred after the expiration of the campaign, including, but not limited to, sporting event tickets, Disney World tickets, personal travel, clothing, and cell phone charges.

Racketeering Act Eleven **Undisclosed Benefits from Water Company**

Racketeering Act Eleven charges CAMPBELL with honest services fraud by soliciting and accepting undisclosed financial benefits from a water company engaged in and seeking to do business with the City. The indictment alleges that in July 1999, seven months after signing a contract with the water company to provide private operation and maintenance of the City's water system for 20 years at an annual cost of \$21.4 million, CAMPBELL and his Chief Operating Officer (the "COO") received and accepted from the water company and its parent company personal benefits totaling over \$12,900 for hotel rooms and a car and driver for CAMPBELL, a personal friend of CAMPBELL's, and the COO to visit Paris, France, without disclosing to the City and its citizens the benefits they received. According to the indictment, the trip was arranged after CAMPBELL's personal friend purchased an airline ticket to travel to Paris, France on July 24, 1999, for a vacation and invited CAMPBELL to go along.

In addition to paying for the Paris trip, the water company and certain of its executives and affiliated individuals wrote checks to CAMPBELL's re-election committee ranging from \$100 to \$1,000, totaling approximately \$6,900, in July 1999 at a time when CAMPBELL was not eligible to seek re-election. A portion of the contributions from the water company executives were deposited into the campaign bank account in August 1999, but over \$3,000 of the contributions were not deposited into the account until on or about September 23, 1999. On or about September 21, 1999, CAMPBELL obtained from the campaign account a check in the amount of \$1,337.98 to pay the credit card charge for his airline ticket to Paris in July 1999.

After receiving the undisclosed personal benefits from the water company, CAMPBELL directly and indirectly took actions intended to benefit the water company. Between 1999 and 2001, the water company incurred expenses in operating the City's water system which it contended were not contemplated by the twenty-year contract signed in December 1998, and the water company sought additional compensation from the City for these expenses. Based upon a discussion with CAMPBELL, a City official tried for several months in 2001, without success, to persuade the City's Water Department Commissioner to sign agreements to provide additional compensation for the water company.

In early December 2001, the City official reported to CAMPBELL that the Water Department Commissioner refused to sign the proposed amendments providing additional compensation for the water company. On December 19, 2001, the water company submitted letter agreements drafted for CAMPBELL's signature granting millions of dollars in additional

compensation to the water company. On December 31, 2001, a water company executive received a voice-mail message from an assistant to CAMPBELL stating that CAMPBELL had signed the letter agreements. On January 2, 2002, two sets of seven letter agreements, each one individually signed by CAMPBELL, were sent through the United States mail from CAMPBELL's office to the water company executive. On October 4, 2002, following the publication of a newspaper article about the letter agreements with the water company, CAMPBELL denied signing the letter agreements and subsequently issued a public statement that he did not "knowingly" sign the letter agreements.

COUNTS TWO THROUGH FOUR
(CORRUPT PAYMENTS)

Counts Two through Four of the indictment charge CAMPBELL with taking corrupt payments in violation of Title 18, United States Code, Section 666, which makes it a Federal crime for anyone who is an agent of an organization, local government or local governmental agency receiving significant benefits under a Federal assistance program, to corruptly accept anything of value from any person intending to be influenced or rewarded in connection with certain transactions of the organization, government or agency. These Counts allege that in the Summer of 1999 CAMPBELL received unlawful cash payments of \$25,000, \$20,000, and \$10,000 in connection with the Y2K contract as alleged in Racketeering Acts One through Three.

COUNTS FIVE THROUGH SEVEN
(TAX VIOLATIONS)

Finally, Counts Five through Seven charge CAMPBELL with willfully filing false tax returns for tax years 1997, 1998 and 1998 by underreporting material amounts of income he received during those years.

